Steep rise in prices

†1571. SHRI JANESHWAR MISHRA: Will the Minister of FINANCE be pleased to state:

(a) the steps taken by Government in the last one year to check the steep rise in prices;

(b) to what extent the common man has got relief through these steps;

(c) the reasons for not lowering the prices of petroleum products to check the prices rise by Government even after the prices of petroleum products substantially lowered across the world;

(d) whether Government will formulate any effective policy to fix the prices of commodities; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Sir, in order to contain inflation, the steps taken by the Government in the last one year is as per Statement (See below).

(b) As a result of the steps taken, the latest provisional WPI based inflation (as on February 24, 2007) for essential commodities has come down to 3.67 per cent as against 6.77 per cent on December 23,2006.

(c) The prices of petrol and diesel have been reduced twice in the recent past in the month of November, 2006 and February, 2007.

(d) and (e) Government has been taking necessary steps to contain inflation.

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†Original notice of the question was received in Hindi

Statement

The recent steps taken by Government to control inflation.

* Reduction in retail prices of petrol by Rs. 2 per litre and diesel by Rs. 1 per litre in November, 2006 and again in February, 2007.

* State Trading Corporation contracting for import of 55 lakh tonnes of wheat to supplement domestic availability, of which 49.4 lakh tonnes had arrived by February 13,2007.

* As against normal applicable duty of 50 per cent, allowing private trade to import wheat at 5 per cent duty from June 28,2006 and at zero duty from September 9, 2006.

* Decision to release up to 4 lakh tonnes of wheat under Open Market Sale Scheme in February and March, 2007.

* Ban on export of wheat from February 9,2007.

* Reduction in customs duty on import of pulses to zero on June 8,2006.

* Ban on export of pulses with effect from June 22, 2006.

* NAFED importing 49,300 tonnes of pulses. Under a new contract executed by NAFED in December, 2006 to import 30,000 tonnes of pulses, 10,675 tonnes had been shipped by February 13,2007.

* To contain volatility in the futures prices of wheat, sugar and pulses, Forward Markets Commission (FMC) has imposed limits on open position, reduced limits on daily fluctuations and imposed additional/special margins.

* Ban on futures trading in tur and urad from January 24, 2007, wheat and rice from February 28,2007.

* Reduction in import duty on palm group of oils by 10 percentage points in August, 2006 and by a further 10-12.5 percentage points in January, 2007. Maintaining tariff value for assessing import duty unchanged at July, 2006 level.

* in the Budget 2007-08, crude as well as refined edible oils have been exempted from additional counterveiling duty of 4 per cent. Duty on sunflower oil, both crude and refined, has been reduced by 15 per cent.

* Ban on export of skimmed milk powder.

* Steps were taken by Reserve Bank of India to reduce liquidity in the system by increasing the cash reserve ratio and repo rates and stepping up operations under the Market Stabilisation Scheme.

Foreign assistance to North-Eastern States

†1572. SHRI DWUENDRA NATH SHARMAH: Will the Minister of FINANCE be pleased to state:

(a) the details of the projects being run in North-Eastern States with the assistance of international financial agencies alongwith names of the agencies operating the said projects, project-wise;

(b) if so, the details and main objectives thereof; and

(c) whether Government have been successful in achieving objectives in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Details of the States sector projects being run in North-Eastern States with the assistance from various international financial agencies alongwith their implementation authorities and objectives are given in Statement (See below). The projects are being implemented as per the project implementation plan. The overall success of a project would be known once the project comes to a close.

†Original notice of the question was received in Hindi